

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2927
ANSWERED ON:17.12.2004
NEW GUIDELINES FOR FUNDING
Meghwal Shri Kailash

Will the Minister of FINANCE be pleased to state:

- (a) whether the NABARD has issued new guidelines for funding from the banks to the farming community
- (b) if so, the details thereof;
- (c) whether the banks are agreed to follow these guidelines; and
- (d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE : (SHRI S.S.PALAMMANICKAM)

(a), (b), (c) and (d): Consequent on the announcement made by the Government on 18th June 2004 to double the flow of credit to agriculture and allied activities in the next three years National Bank for Agriculture and Rural Development(NABARD) issued detailed guideline: to Banks on 30th June and 26th July, 2004 for implementing the above package and to provide relief measures envisaged for farmers in distress, farmers in arrears. One Time Settlement(OTS) for small and marginal farmers and farmers indebted to money lenders Subsequently NABARD convened meetings with Executives of Public Sector Commercial Banks, Cooperative Banks and Regional Rural Banks to discuss the strategy to be adopted by the banks for achieving the agricultural lending target. During these meetings the Heads of the Banking Institutions confirmed their support in implementing various measures announced by the Government and to follow the guidelines issued by the NABARD.